

COPY



OFFICE OF HOMELAND SECURITY

August 8, 2008

Tony Rouhotas, Fire Chief
Office of Emergency Services
County of Imperial
1078 Dogwood Rd. Ste. 101
Heber, Ca. 92249

Monitoring Report #M08-014

Dear Chief Rouhotas:

On June 24, 2008 thru June 26, 2008, the Office of Homeland Security (OHS), Monitoring and Audits Unit, Program Monitors, Jennifer Kolbe and Mohammad Mokarram conducted a monitoring review for the purpose of monitoring the County of Imperial OHS Grant Programs. I wish to thank you and your staff for the courtesy extended to Ms. Kolbe and Mr. Mokarram during the review process. Enclosed, you will find the monitoring report for the following grants:

GRANT	PROGRAM NAME	PERIOD MONITORED
2002-088-025-00000	FY01 State Domestic Preparedness Equipment Program (SDPEG)	07/01/02-06/26/08
2002-133-025-00000	FY02 State Domestic Preparedness Equipment Program (SDPEG)	08/01/02-06/26/08
2003-167-025-00000	FY03 State Homeland Security Grant Program (SHSGP)	04/01/03-06/26/08
2003-035-025-00000	FY03 Part II State Homeland Security Grant Program (SHSGP)	05/01/03-06/26/08
2004-045-025-00000	FY04 Homeland Security Grant Program (HSGP)	12/01/03-06/26/08

The monitoring included a review of staffing needs, operational practices, source documentation, activities, and data reporting requirements. In addition, the monitors examined the grant for compliance with federal financial, administrative and auditing requirements, program guidelines, and other mandates as applicable. Finally, the monitors performed a selected review of accounting records that support the amounts claimed in your reimbursement requests. Project expenditures were validated to provide reasonable assurance that expenses are related to the grant, proper records are maintained, and expenditures are properly authorized and recorded.

As a reminder, the purpose of monitoring is to assist projects in the achievement of their goals and aiding them in administering their grant funds in the most effective and efficient manner. The monitoring is used as a tool to assist the subgrantee in complying with these requirements. Your OHS Program Representative will receive a copy of the monitoring report. Their name and phone number are identified on the face sheet of the report.

If the monitoring report does not identify any findings, a Corrective Action Plan is not necessary and the monitoring process is complete.

GOVERNOR ARNOLD SCHWARZENEGGER • DIRECTOR MATT BETTENHAUSEN
OFFICE OF THE GOVERNOR, SACRAMENTO, CALIFORNIA 95814
(916) 324-8908 • FAX (916) 323-9633

If any findings are identified in the monitoring report, you will have 120 days from the last day of the monitoring review to submit a Correction Action Plan to the Program Monitor.

The corrective action process provides two options:

Option One – The subgrantee self certifies by the submission of an Action Plan that details the corrective steps implemented, and that any finding(s) noted in the monitoring report are resolved.

Option Two – Submission of an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff (i.e. technical assistance).

When corresponding to our office regarding this monitoring report, please include the monitoring control number on all correspondence. Send your response to:

Governor's Office of Homeland Security
Grants Administrative Section
Monitoring & Audits Unit
State Capitol
Sacramento, California 95814

Thank you for your participation in the monitoring process. If you have any questions regarding this letter or the attached report, please feel free to contact me at (916) 323-9153.

Sincerely,



Brendan Murphy
Deputy Director
Administrative Division

Attachment

cc: Rachel Magana, Program Representative
Monitoring & Audits Unit, chron file
Grants Management Unit, grant file

Monitoring Report Response Form

TO: Governor's Office of Homeland Security
Grants Management Section
Monitoring & Audits Unit
State Capitol
Sacramento, CA 95814

Grant Numbers: FY02-088, FY02-133
FY03-167, FY03-035, & FY04-045

Monitoring Control M08-014
Number: _____

Attention: Jennifer Kolbe
Program Monitor

Response Due: 10/27/2008

FROM: Subgrantee: _____

Option One

☐

I have reviewed the above referenced monitoring report and have submitted for your records a copy of the subgrantee's Action Plan detailing the corrective steps that have been implemented, and self certify that the findings noted in the monitoring report have been corrected.

Option Two

☐

I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.

Authorized Signature

Title

Date

Typed Name

Title

Telephone Number



CALIFORNIA GOVERNOR'S OFFICE OF HOMELAND SECURITY MONITORING NARRATIVE REPORT

GRANT/FIPS NUMBER	PROGRAM NAME	PERIOD MONITORED	MONITORED AMOUNT
2002-0088-025-00000	FY01 State Domestic Preparedness Equipment Program	07/01/02 to 06/26/08	\$112,605
2002-0133-025-00000	FY02 State Domestic Preparedness Equipment Program	08/01/02 to 06/26/08	\$178,955
2003-0167-025-00000	FY03 Part I State Homeland Security Grant Program (SHSGP)	04/01/03 to 06/26/08	\$150,558
2003-0035-025-00000	FY03 Part II State Homeland Security Grant Program (SHSGP)	05/01/03 to 06/26/08	\$447,120
2004-0045025-00000	FY04 Homeland Security Grant Program	12/01/03 to 06/26/08	\$685,637

Imperial County Operational Area

AUTHORIZED AGENT:	Fred Nippins	ADDRESS:	1078 Dogwood Rd. Ste 101 Heber, Ca. 92249
CONTACT EMAIL:	frednippins@imperialcounty.net		
CONTACT PHONE NUMBER:	(760)355-1191		
ALTERNATE POINT of CONTACT:	Rosa Hernandez		
CONTACT EMAIL:	rosahernandez@imperialcounty.net		
PROGRAM REPRESENTATIVE:	Rachel Magana	E-mail:	rachel.magana@ohs.ca.gov
PHONE NUMBER:	(916)324-9314		
PROGRAM MONITOR:	Jennifer Kolbe	E-mail:	jennifer.kolbe@ohs.ca.gov
PHONE NUMBER:	(916)324-6118	DATE OF MONITORING:	June 24-26, 2008

PERSONS INTERVIEWED DURING MONITORING VISIT

NAME	TITLE	AGENCY
Fred Nippins	Fire Chief/OES Coordinator	Imperial County
Rosa Hernandez	Deputy Coordinator	Imperial County
Tony Rouhotas	Assistant Fire Chief	Imperial County

Prepared by: Jennifer Kolbe
Jennifer Kolbe, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

8-11-08
Date

Approved by: Brendan Murphy
Brendan Murphy, Deputy Director, OHS Administration Division, Monitoring & Audits Unit

8/10/08
Date

Monitoring Dates: June 24-26, 2008

Imperial County OA Monitoring Report

Monitoring Report Summary	Total # of Items in Category	In Compliance	Not in Compliance	Not Monitored	Not Applicable	Total
A. Administrative Review						
Review of Audit Reports	2	2				2
Grant Assurances	1	1				1
Grant Approval Notification	2	2				2
Performance Reports	1	1				1
Homeland Security Strategies	1	1				1
Publication of Published Materials	1				1	1
B. Programmatic Review						
Program Goals and Objectives	2	2				2
Exercise	2		2			2
Training	1		1			1
Planning	1		1			1
C. Financial Management						
Accounting System	8	7	1			8
Distribution of Funds	1	1				1
Advance of Funds	2		2			2
Change Requests/Modifications	2				2	2
Maintenance of Records	1	1				1
D. Fiscal: Personnel Services						
Management and Administrative Services	3	1	2			3
Overtime/Back Fill	3	1	2			3
E. Fiscal: Procurement						
Responsibility	1		1			1
Methods of Procurement	4	4				4
F. Fiscal: Equipment & Property Management						
Equipment Purchases	3	3				3
Property Management & Records Keeping	2	2				2
G. Subgrantee Monitoring & Oversight						
Subrecipient single audit requirements	1				1	1
Management and Administrative Responsibility	1				1	1
Overtime/Backfill/CTO Responsibility	1				1	1
Procurement Responsibility	1				1	1
Equipment & Property Management Responsibility	1				1	1
Total	49	29	12	0	8	49

Imperial County OA Monitoring Report

PROGRAM SUMMARY

Corrective Action Plan: Required.

MONITORING REPORT DETAIL

A. Administrative Review: Subgrantee in compliance (7 items; Not applicable for Subgrantee (1 item)).

1. **Review of Audit Report:** Subgrantee in compliance (2 items).
2. **Grant Assurances:** Subgrantee in compliance (1 item).
3. **Grant Approval Notification:** Subgrantee in compliance (2 items).
4. **Performance Reports:** Subgrantee in compliance (1 item).
5. **Homeland Security Strategies:** Subgrantee in compliance (1 item).
6. **Publication of Materials:** Not applicable for Subgrantee (1 item).

B. Programmatic Review: Subgrantee in compliance (2 items); Subgrantee not in compliance (4 items).

1. **Program Goals & Objectives:** Subgrantee in compliance (2 items).
2. **Exercise:** Subgrantee not in compliance (2 items).
 - a. Exercise Activities/costs allowable and applicable. Subgrantee not in compliance (1 item).

Requirement: Per the FY 2002 and FY 2003, Part I Grant Guide, funds from the equipment allocation may be used to enhance the capabilities of state and local responders..." planned exercises are to be conducted in the manner and for the purposes set forth in the individual grant guides (e.g. number of required exercises per year; types of exercises; reporting requirements, and the management and execution of the exercise).

Imperial County OA Monitoring Report

Finding #1: In the FY 2002-0133 reimbursement, the subgrantee did not provide supporting documentation of the \$2,749 spent in Exercise monies for the Disaster Drill performed on November 13, 2003. A summary report (what was performed) list of attendees and time sheets, instructors and any backfill were not submitted. In the FY 2003-0167 reimbursement, the subgrantee did not provide supporting documentation of the \$27,190 spent in Exercise monies for Table Top "Port of Entry" and "Explosion at S.W. Performing Arts Center." A list of attendees, time sheets, instructors and any backfill were not submitted. The Program Monitor accounted for approximately \$15,962 of the \$27,190 reimbursed.

Action Required: The subgrantee must provide the missing documentation to satisfy the full reimbursement of \$2,749 for FY 2002-0133 and \$27,190 for FY 2003-0167. Further, the subgrantee must provide a program management system that details the allocation of Exercise expenditures to the individual grant programs. This detailed management system must contain all supporting documentation for each of the Exercise activities performed and reconcile to the individual award amounts. If this cannot be accomplished, the subgrantee must reimburse OHS for any of the unsubstantiated Exercise expenditures. Additionally, the subgrantee must provide a corrective action plan to ensure that in the future, its Exercise activities management system is sufficient to account for all activities and expenditures reported.

- b. After Action Reports submitted. Subgrantee not in compliance (1 item).

Requirement: The FY 2003-0167 Grant Guides, pg 10, states in part, that Operational Areas must prepare After Action Reports (AARs) for all Exercises funded with Office of Domestic Preparedness (ODP) support. The AARs must be submitted to the Office of Homeland Security (OHS), within 30 days following the completion of an exercise.

Finding #2: The subgrantee did not provide the Program Monitor with an AAR for the FY 2002-0133 Disaster Drill and the FY 2003-0167 Table Top "Port of Entry" and "Explosion at S.W. Arts Center" exercises. The report was not registered in the secure portal for the Office of Domestic Preparedness. The Program Monitor did advise the subgrantee that a complete AAR must be provided to OHS.

Action Required: The subgrantee must provide and submit a complete AAR to the Office of Homeland Security for all three exercises stated above. The AARs can be posted via the secure portal. The subgrantee must also provide a corrective action plan addressing how it will ensure that in the future, AARs are submitted to OHS within the required time frame.

3. **Training:** Subgrantee not in compliance (1 item).

Imperial County OA Monitoring Report

Trainings activities/costs allowable and applicable. Subgrantee not in compliance (1 item).

Requirement: The FY 2004-0045 Grant Guides, pg. 40, states the "Citizen Corps Program will support Councils with planning, outreach, and management of Citizen Corps programs and activities. Each local unit of government receiving funds should develop a plan for implementing the Citizens Corps mission – to have every American participate in homeland security through public education, training and volunteer service opportunities."

Finding #3: The subgrantee was reimbursed in the amount of \$13,000 for the FY 2004-0045 grant but the Program Monitor could only account for \$9,619.36. Further, the subgrantee did not submit the required documentation: training courses, qualified trainers and eligible attendees, training certificates and any backfill or over time.

Action Required: The subgrantee must provide documentation of courses taught, types of training provided, qualified trainers, attendees and documentation of eligible expenditures under the Citizen Corps program. The subgrantee must also provide a corrective action plan addressing how it will ensure that in the future, training expenditures are documented and accounted for by grant funding source.

4. **Planning:** Subgrantee not in compliance (1 item).

Planning activities/costs allowable and applicable. Subgrantee not in compliance (1 item).

Requirement: The FY 2003-0167 and 2004-0045 Grant Guides, pg 17 states, " planning activities are to be in accordance with the purposes set forth in the individual grant guides; e.g. conducting needs and/or threat assessments; developing local/urban plans; strategies; information sharing; risk analysis; establishing mutual aid agreements, etc."

Finding #4: The subgrantee was reimbursed \$7,109 and lists \$7,109 on its ledger, however, the Program Monitor did not receive documentation as to what was produced in the way of publications, threat assessments and or strategy development. In FY 2004-0045 under the category of SHSP and CCP, the subgrantee was reimbursed \$18,830 and \$20,693 respectively, however, the Program Monitor did not receive documentation as to what was produced in the way of publications, threat assessments and/or strategic development. The \$20,693 under CCP is questionable costs as the amount is not reflected on the ledger provided by the subgrantee.

Action Required: The subgrantee must provide documentation by way of eligible costs; regular time, overtime, workshops, travel costs, material and supplies required and/or plans in developing strategies, risk analysis and establishing mutual aid agreements. Further, the subgrantee must reconcile the \$20,693 in allowable costs under the 2004-0045 CCP grant.

Imperial County OA Monitoring Report

C. Financial Management: Subgrantee in compliance (9 items); Subgrantee not in compliance (3 items); Not applicable for Subgrantee (2 items).

1. **Accounting System:** Subgrantee in compliance (7 items); Subgrantee not in compliance (1 item).

- a. Financial Reporting: Subgrantee in compliance (1 item).
- b. Source Documentation: Subgrantee in compliance (1 item).
- c. Double Billing: Subgrantee in compliance (1 item).
- d. Supplanting: Subgrantee in compliance (1 item).
- e. Accounting Basis: Subgrantee in compliance (1 item).
- f. Commingling of Funds: Subgrantee in compliance (1 item).
- g. General Ledger Accounting Structure: Subgrantee not in compliance (1 item).

Requirement: In accordance with 28CFR66.20(b)(1); 28CFR70.21(b)(1) OMB A120.20 (b)(2) 2CFR215.21 (b)(2)(Individual Grant Guides) expenditures of grant funds must be reported in specific categories or line items marked Management & Administration (M&A), Exercise, Training and Planning.

Finding #5: The subgrantee does not have a General Ledger accounting system with specific line items for Management & Administration, Exercise, Training and Planning.

Action Required: Subgrantee must provide documentation of a general ledger with the required line items in Management & Administration, Exercise, Training and Planning.

- h. Costs Directly Related: Subgrantee in compliance (1 item).
2. **Distribution of Funds:** Subgrantee in compliance (1 item).
3. **Advance of Funds:** Subgrantee not in compliance (2 items).
- a. Interest Earned: Subgrantee not in compliance (1 item).

Imperial County OA Monitoring Report

Requirement: In accordance with 28CFR66.21, and FG. Part III, Chp. 1 and FY01 Grant Guides Pg. 15 states that accounting records must be maintained and any interest earned in excess of \$100 per federal fiscal year must be remitted quarterly to:

United States Department of Health and Human Services
Division of Payment Management Services
P.O. Box 6021
Rockville, MD 20852

Finding #6: In the review of FY02-0088, the subgrantee was able to show records indicating that the money was placed in an interest bearing account and gained \$161.32 in interest.

Action Required: Subgrantee must submit a check to the U.S. Dept. of Health and Human Services in the amount of \$61.32.

- b. Reported to OHS: Subgrantee not in compliance (1 item).

Requirement: 28CFR 66.21(2)(i), Financial Guide, Part III, Chpt 1. pg 37 and FY01 Grand Guides pg.15 states that the subgrantee must provide a copy of the transmittal letter and a copy of the cancelled check to:

Governor's Office of Homeland Security
Attention: Grants
State Capitol
Sacramento, Ca. 95814

Finding #7: The subgrantee did not provide a copy of the cancelled check to the Office of Homeland Security.

Action Required: Subgrantee needs to provide a copy of the cancelled check to the Office of Homeland Security.

4. **Change Request/Modifications:** Not applicable for Subgrantee (2 items).

5. **Records Maintenance:** Subgrantee in compliance (1 item).

- D. **Fiscal: Personnel Services:** Subgrantee in compliance (1 item); Subgrantee not in compliance (5 items).

Imperial County OA Monitoring Report

1. **Management and Administrative Services:** Subgrantee in compliance (1 item); Subgrantee not in compliance (2 items).

- a. Allocation: Subgrantee in compliance (1 item).
- b. Allowable Costs/Activities: Subgrantee not in compliance (1 item).

Requirement: OMB A-87, Attachment B, #8(h) states: "salaries and benefits for personnel involved in more than one grant or project activity must be based on the actual percentage of time spent on each grant or project activity."

Finding #8: In the FY 2003-0167 and FY 2003-0035 grants, the subgrantee did not provide documentation for the \$3,764 and \$11,650 respectively for the monies spent in M&A. In FY 2004-0045, the subgrantee did not provide the monitor with supporting documentation for the \$15,814 spent in M&A in the SHSP grant and \$4,147 in the LETTP grant. Furthermore, the subgrantee did not maintain functional timesheets or personnel documentation that suffices to the level of detail to validate the review of allowable personnel compensation.

Action Required: The subgrantee must account for all M&A costs and provide a reconciliation report detailing the expenditures reported for each individual grant year. The subgrantee must provide a detailed worksheet that reflects:

- a. hours charged to the grant (broken down by year, activity and project)
- b. wage of employee
- c. benefits charged to the grant

Additionally, the subgrantee must provide a corrective action plan to ensure that in the future, it has a system in place that supports personnel charges to all OHS grants.

- c. Functional Timesheets: Subgrantee not in compliance (1 item).

Requirement: OMB Circular A-87, Attachment B, #8(h)(4) states, in part, "charges to federal awards for salaries and wages...will be based on payrolls documented in accordance with generally accepted practice...that salaries and benefits of personnel supported by more than one grant or project must be verified by functional time sheets of the time spent on each grant project activity."

Imperial County OA Monitoring Report

Finding #9: At the time of the review, the subgrantee did not maintain functional timesheets or personnel documentation required for personnel charges. The grant years include: FY 2003-0167 for \$3,764; FY 2003-0035 for \$11,650; FY 2004-0045 – SHSP grant for \$15,814; FY 2004-0045 - LETTP grant for \$4,147.

Action Required: The subgrantee must account for all M&A costs and provide functional timesheets for that portion charged to the grants. The grant years include: FY 2003-0167 for \$3,764; FY 2003-0035 for \$11,650; FY 2004-0045 SHSP grant for \$15,814; FY 2004-0045 LETTP grant for \$4,147. The subgrantee must also provide a corrective action plan to ensure that in the future, it has a system in place that supports personnel charges to all OHS grants. The subgrantee did submit a sample of a functional time sheet within 30 days, which will fulfill part of the revisions.

2. **Overtime/Backfill and/or CTO:** Subgrantee in compliance (1 item); Subgrantee not in compliance (2 items).
 - a. Prior Approval: Subgrantee in compliance (1 item).
 - b. Records and/or Supporting Documentation: Subgrantee not in compliance (1 item).

Requirement: DOJ Financial Guide; “payroll records must include hours worked and the over time hours worked; the work performed that required over time and the hourly rate of the overtime charged.”

Finding #10: In reference to Finding #9, the Program Monitor is unable to determine if there was any overtime, backfill for the following: FY 2003-0167 for \$3,764; FY 2003-0035 for \$11,650; FY 2004-0045 SHSP grant for \$15,814 and FY 2004-0045 LETTP grant for \$4,147.

Imperial County OA Monitoring Report

Action Required: The subgrantee must provide all supporting documentation for cost related expenditures and submit total hours worked; overtime hours charged and the hourly rate of the overtime. If time sheets and/or OT slips are not available, the subgrantee must submit a detailed reconciliation ledger report that matches the labor records detailing the expenditures reported by grant year. Pay registers must be included for any overtime and backfill for each exercise, including Table Top Exercise "Port of Entry," "SEMS Training" and the "Explosion at S. W. Art Center." Further, "Explosion at S.W. Art Center has a roster for key players and overtime hours, however, a complete ledger will be needed that includes:

- a. basis of OT/backfill
- b. reason for backfill and for whom
- c. hours charged
- d. rate of pay
- e. total cost break down charged to the grant as it relates to the attendees.

- c. Allowable Costs/Activities: Subgrantee not in compliance (1 item).

Requirement: Grant Guides 2004-0045, pg 26 states, "eligible management and administration costs include:

- a. regular time, over time, CTO and fringe benefits for current full or part-time staff to support eligible M&A activities.
- b. cost of contractors hired to support eligible activities.
- c. meeting related expenses to support activities;(ie, rental space).
- d. cost of authorized office equipment.
- e. recurring fees associated with certain equipment such as cell phones, faxes, etc.
- f. materials and supplies required or consumed during the course of administering the grant.
- g. travel costs for employees who travel related to the M&A. The costs must be in accordance with the grant recipient's approved travel policy.

Finding #11: Due to Findings #8, #9 and #10 and the lack of supporting documentation provided, the monitor is unable to ascertain if the costs are allowable.

Action Required: Subgrantee must complete the Corrective Action Plan (CAP) for findings #8, #9 and #10 before the monitor can ascertain if the costs are allowable.

- E. **Fiscal: Procurement:** Subgrantee in compliance (4 items). Subgrantee not in compliance (1 item).

1. **Responsibility:** Subgrantee not in compliance (1 item).

Imperial County OA Monitoring Report

Requirement: 28CFR66.35 and 66.36 states that the subgrantee is responsible for maintaining a written code of conduct standards regarding the settlement and satisfaction of all contractual and administrative issues arising from contracts of the subgrantee and grant award procurements. This responsibility includes, but is not limited to the procurement process, Davis-Bacon Act, NEPA/CEQA, disputes, debarment and/or exclusion issues and protests of awards.

Finding #12: Upon review of the procurement and purchasing manual for Imperial County, the Program Monitor determined that the manual did not include language pertaining to the Davis-Bacon Act (fair employment), the California Environmental Quality Act (CEQA) or the National Environmental Protection Act (NEPA).

Action Required: The subgrantee must ensure that the aforementioned language is included in its procurement policy. The county may use a separate addendum to comply with this requirement.

2. **Methods of Procurement:** Subgrantee in compliance (4 items).

F. **Fiscal: Equipment & Property Management:** Subgrantee in compliance (5 items).

G. **Subgrantee Monitoring & Oversight:** Not applicable for Subgrantee (5 items).